

0028

Incoming
C0070019
#3347
OK

From: Daron Haddock
To: OGMCOAL
Date: 9/2/2009 2:30 PM
Subject: Fwd: GVH 1 and 5 reclamation
Place: OGMCOAL
Attachments: GVH 1 & 5 data sheets.pdf; GVH Property owner notification.pdf

>>> "Shaver, Dave" <dshaver@coalsource.com> 9/2/2009 2:18 PM >>>

Gentlemen (and Sue).....This email is to provide notice that Andalex Resources intends to reclaim GVH sites 1 and 5 above the Tower mine. Shane Campbell of Scamp Excavation will coordinate the work. We plan to plug both holes with concrete from the bottom of the outer (9 5/8") casing to the surface. Attached please find the data sheets for the two holes, as well as the notification letters to the surface owners. (Please note that we make no distinction regarding the land boundary/ownership dispute in the area of these wells.) As per the approved DOGM permit requirements, the holes will be plugged according to federal (i.e., BLM) guidelines. All necessary purchase orders have been issued for this project, and barring unforeseen legal complications from the landowner(s), we intend to begin reclamation work at the sites during the week of September 14, 2009. As we get closer to the startup date I will send out additional notice so that anyone wishing to be involved in inspecting and/or observing the reclamation/plugging effort can schedule accordingly. Thanks

Dave Shaver

GVH #: 1

Location: N 510, 148 E 2, 218, 849 Elev 8,527 T 12 S, R 11 E, Sec 31

Angle/Direction: 90°/0°

Date Started: 4/11/05

Date Completed: 4/24/05

Total Depth: 2575'

Depth to Top of A Seam: 2608'

Distance Completed above A Seam: 33'

Depth of 9 5/8 Casing: 1780 (hole bridged)

Length of 7 inch Casing below 9 5/8 Casing: 795

Length of 7 inch Casing Stick-Up: 30

Total Length of 7 inch Slotted Casing: 825

Depth to Top of Kw Sand: 2485

Depth to Bottom of Kw Sand: 2540

Thickness of Kw Sand: 55

Interval Between Kw Sand and A Seam: 68

GVH Distance from TG Rib

Surface: -95 +18

Bottom: 96.5 +18

Directionally Drilled

12 Inch: ☒ Yes ☐ No

8 3/4 Inch: ☒ Yes ☐ No

Significant CH₄ Showing, Depth(s): 2390, 2505

Formation Water, Depth(s): None noted, probably ~1780

Comments: Lost all returns @ 2516, 92' above A Seam.

GVH #: 5

Location: N 511,683 E 2,218,840 Elev 8462 T 12 S, R 11 E, Sec 31

Angle/Direction: 90°/0°

Date Started: 4/28/05

Date Completed: 5/13/05

Total Depth: 2705

Depth to Top of A Seam: 2739

Distance Completed above A Seam: 34

Depth of 9 5/8 Casing: 2328

Length of 7 inch Casing below 9 5/8 Casing: 377

Length of 7 inch Casing Stick-Up: 36

Total Length of 7 inch Slotted Casing: 413

Depth to Top of Kw Sand: 2656

Depth to Bottom of Kw Sand: 2696

Thickness of Kw Sand: 40

Interval Between Kw Sand and A Seam: 43

GVH Distance from TG Rib

Surface: 125 + 18

Bottom: 130 + 18

Directionally Drilled

12 Inch: Yes/No

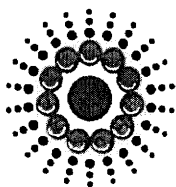
8 3/4 Inch: Yes/No

Significant CH4 Showing, Depth(s): 0

Formation Water, Depth(s): Bridges @ 1025, 1155, 1500, 2000, 2200

Comments: Drilled 9' beyond bottom of Kw ss

Hole drilled 300' west of Panel 7 start-up.



ANDALEX
RESOURCES, INC.

P.O. BOX 910
EAST CARBON, UTAH 84520
PHONE (435) 888-4000
FAX (435) 888-4002

September 1, 2009
Via Certified Mail, Return Receipt Requested

David Shimmin
P.O. Box 785
Price, Utah 84501

**RE: Reclamation of Gas Vent Holes (GVH) Nos. 1 and 5
Section 32, T12S, R11E, Carbon County, Utah**

Dear Mr Shimmin:

As per recent correspondence, Andalex Resources, Inc. has been ordered by the Utah Division of Oil, Gas and Mining (DOGM) to immediately reclaim the above-referenced GVH wells and wellsites. A copy of the order is attached to this letter. This well plugging and reclamation is also in compliance with the License Agreement (surface owner consent) signed March 28, 2005, between your father and Andalex, also attached.

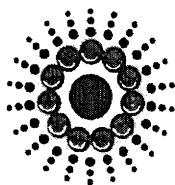
We have contracted with Scamp Excavation to do the reclamation work, and Shane Campbell will be directly responsible for coordinating the effort. In order to take advantage of the weather and to meet the deadline imposed by DOGM, we are tentatively scheduled to begin work during the week of September 14, 2009, and hope to be completed by the end of the month.

If you have any questions or comments regarding this reclamation, please contact me at (435) 888-4017.

Sincerely

Dave Shaver
Project Engineer

cc: Shane Campbell, Scamp Excavation
Daron Haddock, DOGM



ANDALEX
RESOURCES, INC.

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EAST CARBON, UTAH 84520
PHONE (435) 888-4000
FAX (435) 888-4002

September 1, 2009
Via Certified Mail, Return Receipt Requested

2 C's Properties
c/o Mildred Cave
1220 South 530 West
Price, UT 84501

**RE: Reclamation of Gas Vent Holes (GVH) Nos. 1 and 5
Section 31, T12S, R11E, Carbon County, Utah**

Dear Mildred:

As we have discussed, Andalex Resources, Inc., has been ordered by the Utah Division of Oil, Gas and Mining (DOGM) to immediately reclaim the above-referenced GVH wells and wellsites. A copy of the order is attached to this letter. This well plugging and reclamation is also in compliance with the Drilling and Surface Use Agreement signed March 18, 2005, between your party and Andalex.

We have contracted with Scamp Excavation to do the reclamation work, and Shane Campbell will be directly responsible for coordinating the effort. In order to take advantage of the weather and to meet the deadline imposed by DOGM, we are tentatively scheduled to begin work during the week of September 14, 2009, and hope to be completed by the end of the month.

If you have any questions or comments regarding this reclamation, please contact me at (435) 888-4017.

Sincerely

Dave Shaver
Project Engineer

cc: Shane Campbell, Scamp Excavation
Daron Haddock, DOGM